

House File 2253 - Introduced

HOUSE FILE _____
BY R. OLSON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning the sale of alcoholic liquor or beer, including
2 the establishment of a container redemption fund, and
3 providing a penalty and an appropriation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TL5B 5560YH 82
6 ec/nh/24

PAG LIN

1 1 Section 1. NEW SECTION. 123.24A RETAIL SALES AT LESS
1 2 THAN COST == PENALTY.
1 3 1. A retailer shall not offer to sell, or sell, at retail,
1 4 alcoholic liquor, wine, or beer at less than the cost to the
1 5 retailer. A retailer who violates this section is guilty of a
1 6 simple misdemeanor. For purposes of this section, "cost to
1 7 the retailer" means the true invoice cost of the alcoholic
1 8 liquor, wine, or beer to the retailer plus the cost of doing
1 9 business by the retailer which is presumed to be eight percent
1 10 of the true invoice cost in the absence of proof of a lesser
1 11 or higher cost.

1 12 2. Evidence of advertisement, offering to sell, or sale of
1 13 alcoholic liquor, wine, or beer by any retailer at less than
1 14 the cost to the retailer shall be evidence of a violation of
1 15 this section.

1 16 Sec. 2. NEW SECTION. 455C.3A CONTAINER REDEMPTION CENTER
1 17 FUND.

1 18 1. A container redemption center fund is created in the
1 19 state treasury under the control of the department.
1 20 Notwithstanding section 12C.7, interest or earnings on moneys
1 21 in the fund shall be credited to the fund. Moneys in the fund
1 22 are appropriated to the department to be used for purposes of
1 23 disbursing moneys to redemption centers on a per=can or
1 24 per=bottle basis in the manner provided by the department.

1 25 2. There is appropriated from the general fund of the
1 26 state to the fund each fiscal year an amount determined by the
1 27 director of revenue, but in no event greater than twenty
1 28 million dollars, representing the increase in sales tax
1 29 revenue during the fiscal year beginning July 1, 2008,
1 30 pursuant to the implementation of section 123.24A. To
1 31 determine the increase in sales tax revenue, the director of
1 32 revenue, in consultation with the alcoholic beverages
1 33 division, shall compare the gross retail sales of beer in
1 34 dollars for the fiscal year beginning July 1, 2007, and for
1 35 the fiscal year beginning July 1, 2008, and calculate an
2 1 estimated increase in sales tax revenue for the fiscal year
2 2 beginning July 1, 2008, as required by this section.
2 3 Notwithstanding section 8.33, moneys appropriated in this
2 4 section that remain unencumbered or unobligated at the close
2 5 of the fiscal year shall not revert but shall remain available
2 6 for expenditure for the purposes designated until the close of
2 7 the succeeding fiscal year.

2 8 EXPLANATION

2 9 This bill provides that a retailer shall not sell liquor,
2 10 wine, or beer at less than the cost to the retailer. The bill
2 11 defines the cost to the retailer as the invoice cost of the
2 12 liquor, wine, or beer, plus 8 percent. A retailer who
2 13 violates this provision is guilty of a simple misdemeanor.

2 14 The bill also establishes a container redemption center
2 15 fund under the control of the department of natural resources.
2 16 Moneys in the fund are to be used for purposes of disbursing
2 17 moneys to redemption centers on a per=can or per=bottle basis.
2 18 The bill provides for an appropriation to the fund from the
2 19 general fund of the state in an amount determined by the

2 20 director of revenue that represents the increase in sales tax
2 21 revenue during the fiscal year beginning July 1, 2008, from
2 22 the requirement of the bill that alcohol not be sold at less
2 23 than cost. The bill provides that the maximum amount that can
2 24 be appropriated per fiscal year is the lesser of \$20 million
2 25 or the dollar amount estimated by the director of revenue
2 26 representing the increase in sales tax revenue as a result of
2 27 the requirement that beer not be sold below cost.
2 28 LSB 5560YH 82
2 29 ec/nh/24